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HOUSE BILL 1235

43RD LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 1997

INTRODUCED BY

DELORES C. WRIGHT

AN ACT

RELATING TO TAXATION; AMENDING THE INCOME TAX ACT TO INCREASE,
INDEX AND EXPAND ELIGIBILITY FOR THE EXEMPTION FOR PERSONS WHO
ARE SIXTY-FIVE YEARS OF AGE AND OLDER OR BLIND.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. Section 7-2-5.2 NMSA 1978 (being Laws 1985,
Chapter 114, Section 1, as amended) is amended to read:

"7-2-5.2. EXEMPTION--INCOME OF PERSONS SIXTY-FIVE AND
OLDER OR BLIND.--

A. Any individual sixty-five years of age or older
or who, for federal income tax purposes, is blind may claim an
exemption in an amount specified in [~~Subsections A through C of
this section not to exceed eight thousand dollars (\$8,000)]
Paragraphs (1) through (3) of this subsection as adjusted
pursuant to Subsections C and D of this section of income~~

Underscored material = new
[bracketed material] = delete

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[bracketed material] = delete

1 includable except for this exemption in net income. Individuals
2 having income both within and without this state shall apportion
3 this exemption in accordance with regulations of the secretary.

4 [A-] (1) For married individuals filing separate
5 returns, for any taxable year beginning [~~on or after~~] prior to
6 January 1, [~~1987~~] 1997:

7 The maximum amount of
8 exemption allowable
9 If adjusted under this section shall
10 gross income is: be:

11 Not over \$15,000	\$8,000
12 Over \$15,000 but not over \$16,500	\$7,000
13 Over \$16,500 but not over \$18,000	\$6,000
14 Over \$18,000 but not over \$19,500	\$5,000
15 Over \$19,500 but not over \$21,000	\$4,000
16 Over \$21,000 but not over \$22,500	\$3,000
17 Over \$22,500 but not over \$24,000	\$2,000
18 Over \$24,000 but not over \$25,500	\$1,000
19 Over \$25,500	0.

20 [B-] (2) For heads of household, surviving spouses and
21 married individuals filing joint returns, for any taxable year
22 beginning [~~on or after~~] prior to January 1, [~~1987~~] 1997:

23 The maximum amount of
24 exemption allowable
25 If adjusted under this section

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1 B. For taxable years beginning on or after January
2 1, 1997, the secretary by regulation or instruction shall
3 prescribe inflation-adjusted tables for the exemption provided
4 in Subsection A of this section. The secretary shall determine
5 the inflation-adjusted tables for any taxable year by
6 multiplying the minimum and maximum dollar amounts and allowable
7 exemption amount for each rate bracket in Paragraphs (1) through
8 (3) of Subsection A of this section by the cost-of-living
9 adjustment calculated for the taxable year pursuant to
10 Subsection C of this section. The secretary shall round down
11 each adjusted bracket and exemption amount to the nearest
12 multiple of twenty-five dollars (\$25.00) in the table in
13 Paragraph (1) of Subsection A of this section and fifty dollars
14 (\$50.00) in the tables in Paragraphs (2) and (3) of Subsection A
15 of this section.

16 C. The cost-of-living adjustment for the taxable
17 year shall be:

18 (1) for taxable years beginning in calendar
19 year 1997, a fraction, the numerator of which is the consumer
20 price index for August 1990 and the denominator of which is the
21 consumer price index for August 1987;

22 (2) for taxable years beginning in calendar
23 year 1998, a fraction, the numerator of which is the consumer
24 price index for August 1994 and the denominator of which is the
25 consumer price index for August 1990;

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1 (3) for taxable years beginning in calendar
2 year 1999, a fraction, the numerator of which is the consumer
3 price index for August 1998 and the denominator of which is the
4 consumer price index for August 1994; and

5 (4) for taxable years beginning in calendar
6 years after 1999, a fraction, the numerator of which is the
7 consumer price index for August of the calendar year prior to
8 the taxable year and the denominator of which is the consumer
9 price index for the August of the calendar year prior to that
10 calendar year. If the cost-of-living adjustment determined
11 pursuant to this paragraph is less than one for any taxable
12 year, the secretary shall prescribe the rate table for the prior
13 taxable year for that taxable year.

14 D. As used in this section, "consumer price index"
15 means the consumer price index for all-urban consumers published
16 by the United States department of labor."

17 Section 2. APPLICABILITY. --The provisions of this act
18 apply to taxable years on or after January 1, 1997.